

Lawrence Holguin: A Series of Unfortunate Events

Friday, August 16th, 2019 marks the end of an era. Mission Tennis will be vacating their location in the Gateway Center, Mission Viejo.

Unfortunately, on September 7th, 2018, we woke up to find thousands of dollars placed on hold on our Mission Tennis business checking account. As you can imagine, this was quite a shock. The hold was placed by the Department of Tax and Fee Administration which was odd because we were current on all our Sales Tax Payments and Filings. After several phone calls, we learned that the previous owner (Luis San Mateo) was severely delinquent on his Sales Tax payments and the Tax and Fee Administration was unsuccessful in collecting the monies. The fact that Luis moved to the Philippines made it even more difficult for the Tax and Fee Administration.

I obtained a new Fictitious Business Name, Seller's Permit, and a Business Bank Account, all under the direction of the Department of Tax and Fee Administration when I purchased the Tennis Shop in 2017. Unfortunately, they did not direct me to obtain a Clear Sales Tax Certification. Had I obtained this document, I would have become aware of Luis's past delinquent sales taxes and would have had two options: a) Not purchase the tennis shop or; b) Deducted the amount as part of the sales transaction and cleared the delinquent taxes.

Losing thousands of dollars and being held liable for an additional large sum could have been avoided. Apparently, there is a legal statute that allows the Department of Tax and Fee Administration to hold liable a new business owner for a previous owner's sales tax. I have been unsuccessful in retrieving any of our money or stopping them from continuing to retrieve more money over this past year.

I immediately reached out to Luis and explained the situation and told him that he needed to pay the additional amount owed and return the money that was taken from our account. Luis played the **"I do not have money card"** and stated that there was nothing he could do to correct the situation that he created.

Losing the money was only the first hit. The loss of this money caused Mission Tennis to become delinquent with our vendor payments. This in turn caused us to not be able to order new product. While we worked with our vendors to catch up, we lost our Wholesale Business partner of 13 years because we could not order the product they needed in a timely manner.

Our average monthly revenue has been reduced by several thousand per month. Combined with the Wholesale income loss, we are down thousands per month in revenue. In an effort to stay alive, we attempted to negotiate a reduction in rent to allow us to continue to serve our tennis community. I also expanded my tennis coaching to bring in additional revenue.

Unfortunately, we learned yesterday that our landlord is not willing to reduce our rent and they delivered us a notice to pay the delinquent rent or vacate the premises within 3 days. It does not make sense to attempt to pay the delinquent rent because they have also stated that they will not renew our lease in April 2020.

Regrettably, this does not leave Mission Tennis with many choices. We are attempting to locate less expensive retail space and make a move which is a tall order with such little time. If we cannot fulfill this option, we could continue to string from home and offer a **“pickup and delivery service”** to any customer interested. If that option is not promising, we will have no other option other than close and move on.

We are so saddened by this news and we have truly enjoyed and appreciated all the support from our customers who many we call friends.

Our immediate next steps are:

1. Locate a local storage unit.
2. Book a moving truck.
3. Distribute all the tennis racquets that have been strung and are ready for pickup.
4. Retrieve all Demo Racquets that are currently checked out.
5. Vacate the premises – Friday, 8/16/19 will be our last day of operation. We will be moving all our equipment and inventory to storage on Saturday and Sunday.
6. Continue to see if there are any other location options.
7. See how many customers would take advantage of a Home-Based stringing option utilizing a Pickup and Delivery service. This option would provide Alex and Katie with employment/income as they finish college over the next 1 - 2 years.

I am open to any other suggestions... We have been in limbo for this past year and frankly I am exhausted. I will be posting this communication on our Mission Tennis Website and all status updates.

Thank you again from the bottom of our hearts. We have truly enjoyed serving the community and have met some fantastic people.

Please stay tuned for the Next Adventure of Lawrence Holguin and his Big Black Cloud!!!